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BUDGET SPEECH

OF

THE HON. C. R. MITCHELL

TREASURER OF THE PROVINCE OF ALBERTA

DELIVERED ON THE 17th MARCH

1919

IN THE LEGISLATIVE ASSEMBLY OF ALBERTA

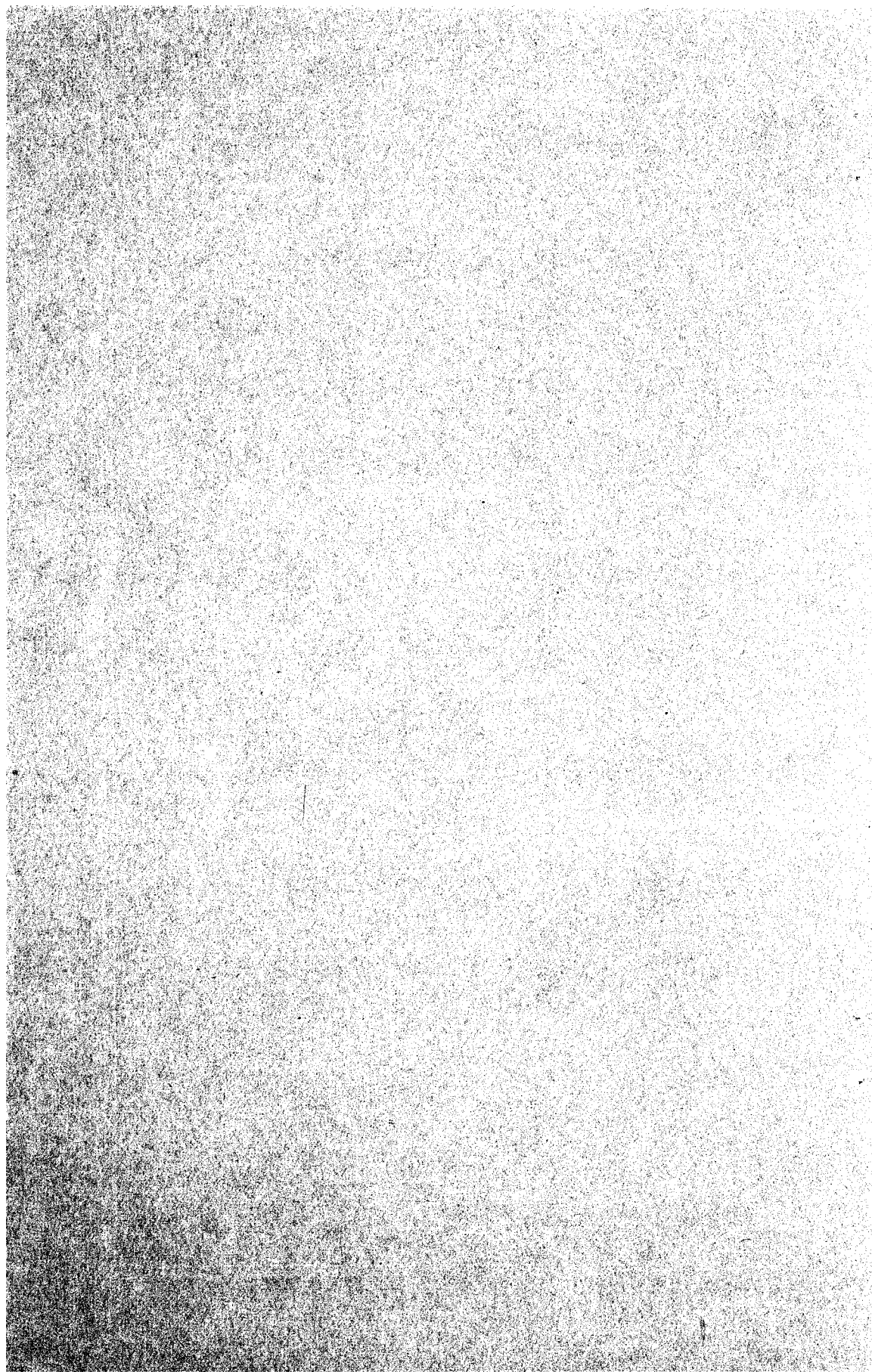
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PRINTED BY ORDER OF THE LEGISLATIVE ASSEMBLY



EDMONTON

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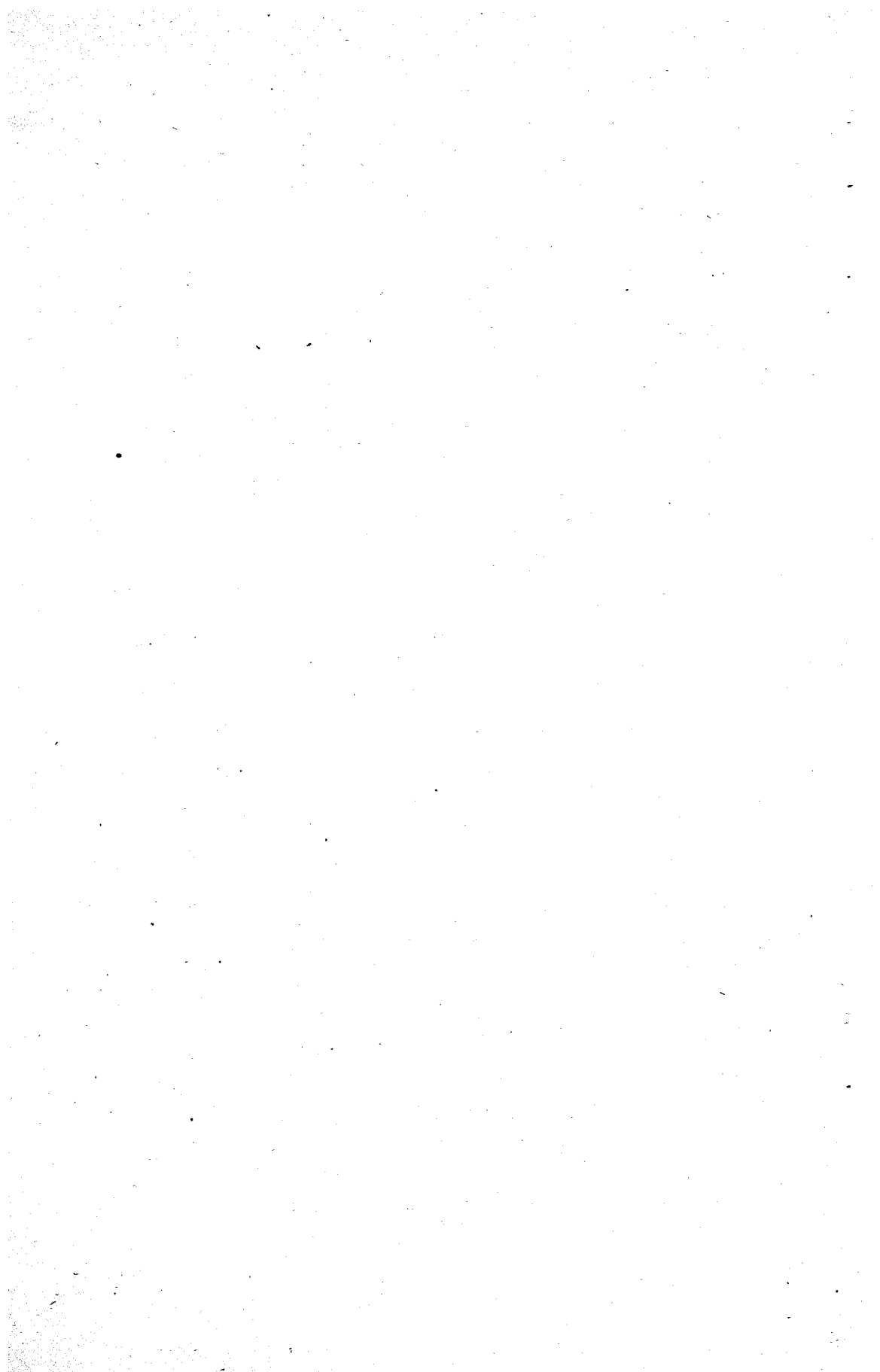
IN THE LEGISLATIVE ASSEMBLY OF ALBERTA

On Moving the House into Committee of Supply

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EDMONTON :
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BUDGET SPEECH

DELIVERED BY

HON. C. R. MITCHELL

Treasurer of the Province of Alberta

MARCH 17th, 1919

Mr. Speaker,—The motion to which I will speak to-day is that you now leave the chair and that this House will immediately resolve itself into Committee of Supply to consider the supply to be granted to His Majesty. In doing so it devolves upon me to present my Sixth Annual Budget.

REVIEW OF CONDITIONS AND GENERAL ACTIVITIES.

We are now entering upon a distinct epoch in the development of this country and have reached a new stage in the financial requirements of the Province. The year 1918 opened up in a rather unsatisfactory manner from a revenue standpoint, but indicated towards its close a marked tendency to improve. It is to be hoped that this tendency will have gained sufficient momentum during the year to carry the Province out of the series of past deficits which we have been experiencing into a period of rehabilitated sources of revenue which will result in an equilibrium between revenue and expenditure.

In attaining this object several important factors must be taken into consideration. One will be to secure the normal and equitable working out of recent methods of taxation consequent upon the decision of the Government at an early date so far as is possible to place the various taxation acts relating to land upon a valuation basis rather than upon a flat rate per acre as has been the practice heretofore. This principle when established should have the effect of equalizing and distributing the taxation and remove in large measure certain inequalities and hardships which to some extent seem now to prevail.

While it is true that the Province no longer will be called upon to collect and pay over the large sums of money which we have raised in the past in connection with the Patriotic Fund which provided for the dependants of those who had paid more than their share in the services incident to the war,—this obligation having recently been assumed by the Federal authorities and to that extent having relieved this Province of the necessity of contributing large sums by way of expenditure,—yet at the same time I would remind this House that there are other pressing responsibilities that must be assumed, problems of reconstruction and re-establishment resulting in the additional charges upon the Province which such problems involve.

In addition to this there will be large expenditures required in connection with matters indirectly connected with our return to normal and improved living conditions. Reference will be made to grants in connection with Agriculture, Education, Public Health, the establishment and maintenance of Labour Bureaus, additional Public Works of various kinds involving capital expenditures and the financial obligations now being placed upon the Province in connection with past and new social legislation.

For these reasons, Mr. Speaker, I have no hesitation in advising this House that the revenue legislation already in force, and I may say particularly the Supplementary Revenue Act passed at last Session, must of necessity be maintained. This will become more apparent as I proceed to give the details of revenue and expenditure. This position requires no defence on my part since we now find ourselves in what has been very aptly described by one of our Overseas Members as the "Post-armistice Session" involving new and important phases of Provincial activity in respect of our soldiers as well as our civilian population, and in turn means a large increase in the income and capital expenditures of this Province.

The unusual conditions which now confront us by reason of the prospect of permanent peace open up a phase in world industry which has never been before equalled in its possibilities for liberal, progressive and even radical political and social development. What applies to the larger sphere of world politics applies with equal force to conditions in our own Province. Time alone will show where and to what extent these new tendencies may lead. Re-adjustments between Capital and Labor must be made and at the present time are being made, in which those who have borne the brunt of the war will of necessity take an important part and who in all fairness to them should receive compensating advantages. These elements have sometimes in the past been ignored. They have now to be reckoned with, and as a Province that has always been in the fore-front in respect to these matters which make for the welfare of its people as a whole, we should not neglect to give encouragement to everybody and everything that will tend to the harmonizing of those various elements which are seeking proper re-adjustment.

FINANCIAL AND BUSINESS CONDITIONS OF THE PROVINCE.

Having briefly referred to these problems with which we are confronted I shall now pass on to those matters which more particularly relate to the financial and business conditions of the Province. First, however, I wish to welcome to this House those Honourable Members who are now permanently returning to their homes after having contributed without stint in the full measure of their ability to the successful termination of the greatest war in the history of the world. It is our privilege here to publicly express with all humility our thankfulness and appreciation to those who have returned and to record our sorrow for those who have given their lives in so just a cause. One Honorable Member, —I believe the youngest member of this Legislature,—has been called upon to pay the supreme sacrifice.

Turning now to the economic conditions in Alberta and its future outlook, I must first of necessity pay some attention to the agricultural production of this country. That is a topic that always should find a place in any budget or financial statement brought down in connection with any Province or country. I will not bother the House with giving details of our statistics in this respect, but will content myself with making the general statement that for the year 1918 there was production in this Province consisting of grain of various kinds, dairy products, wool, game and furs, coal and coke, manufactured products of various kinds and an increase in live-stock amounting in value to \$324,794,183.00. This, compared with the year 1917, shows an approximate decrease of over \$8,000,000. This is to be accounted for by the fact that our grain production during the past year has been much below the normal, due as you know, largely to the fact that in the southern part of the Province we suffered from drouth and in the northern part from an unexpected and most unusual frost.

Notwithstanding these drawbacks, however, the increase in the value of our livestock has brought our agricultural production up to within a very few millions of what it was in the year 1917. This is a very satisfactory state of affairs, and is one that ought to remind us that the people of this Province are more and more pinning their faith upon the livestock industry of this country and endeavouring to develop it side by side with the grain growing industry. The Greater Production campaign of a year ago resulted in an increased acreage being put under crop amounting to 1,000,000 acres.

I have prepared a rather interesting table which shows the estimated value of all products raised in the Province of Alberta during the war period. This information comes from the Statistical Department of the Province and also from the Dominion Statistical Department, and shows that during that period the products of Alberta amounted to \$1,150,728,960.92. Over a billion dollars' worth of wealth was gathered from the soil and from the various activities of this Province during the years of the war. This amount alone equals the debt of the Dominion of Canada as of December 31st last, and it may safely be said that the amount of production for this Province during those years would at least be sufficient to pay off Canada's war debt. Of course we all realize that this value in money is not available to the Dominion of Canada or to this Province, but the fact remains that the people of this country produced that amount of wealth and it ought to be taken as a fair indication of the ability of the people of this country to meet their war indebtedness.

DAIRYING.

Referring to the dairy industry of this Province, and it would not be fair to proceed without making some reference to that branch of the Department of Agriculture, because I believe we have cause to be proud of the progress we have made in that respect, and I think it is only proper that some credit should be given to the Agriculture Department in connection with this important work. The Minister of Agriculture has had associated with him an officer in the present Dairy Commissioner who, I think, in his particular line, has no

superior in any province of the Dominion. Mr. Marker is a man who knows the dairy business from beginning to end, and when I tell you that in the Province of Alberta the butter production was 10,000,000 pounds in the past year, with an increase of 82 per cent. in three years in the number of milch cows, a great deal of the credit for these excellent results may be attributed to the activities of his department.

The Province of Saskatchewan,—and I am not making any reflection on that Province,—last year had only one half of the amount of dairy products which this Province produced. This is a partial proof of the fact that we are not devoting ourselves so exclusively to the grain growing business. Our livestock industry is also in a flourishing condition. Although the cattle population of the Province is about the same as in previous years nevertheless at the greatly enhanced prices it contributed very largely to the total aggregate value. The livestock industry has on more than one occasion saved the farming community from almost total failure. In years such as last year, when the grain growing of this Province met with unusual reverses, the livestock industry of this Province was able to come to the rescue and to balance the accounts as between the several great productive industries of the Province.

WOOL GROWING.

Then there is the sheep industry. We find now that in the Province of Alberta we are rapidly approaching first place in the production of wool. An enormous increase in the number of sheep has been noted both on the farm and on the range. This probably is due to the fact that splendid prices have been available during the war.

According to statistical figures Alberta is reckoned as the third province in Canada in the sheep census, being only surpassed by the large and wealthy Provinces of Ontario and Quebec. This Province now contains more sheep than all the other western provinces combined. I might mention that the Province of Ontario has something over 900,000 head of sheep and the Province of Quebec a similar amount. The Province of Alberta has approximately 400,000. We arrive at that conclusion not only by the census but also by the fact that it can be fairly accurately calculated,—the number of sheep can be closely estimated from the amount of wool exported. Taking a basis of six pounds produced for each head we find that with the total output of nearly 3,000,000 lbs. of wool, we would have practically 450,000 sheep, possibly half a million. But there are reasons why during last year the amount per animal was not as heavy as usual and for that reason we have placed the estimate somewhat low. However, it is a splendid indication of the growth of this special branch of the agricultural industry in this Province.

COAL INDUSTRY.

A second thriving industry in this Province is that of coal. Reference to that was made last year in my Budget Speech, and the matter has again been referred to by way of discussion and resolution within the last few days, and I want to point out to this House

that although the coal industry is the second largest in this Province at the same time the business is not being carried on under the favourable conditions that favor our agricultural industries. There seems in some way or other to be some lack in the handling of the coal situation, and I believe there is as much to be said against the way that the operators look after their end of the business as with respect to any other handicap encountered in connection with the business. For the first time in the history of Canada Alberta's coal production leads all the other Provinces. Now that is rather an important and interesting statement. The output even surpasses that of the Province of Nova Scotia which was formerly the leading province in this respect. In the year 1918 the coal produced in Alberta amounted to something over 6,000,000 tons, an increase of roughly 1,250,000 tons over the preceding year and an increase of over 200 per cent. for the last ten years. This statement, however, flattering as it may be, does not necessarily indicate the position of the coal trade as it has developed during the last few months and for the year 1919 I by no means expect to be able to report anything like as satisfactory a statement in connection with the output. It might be interesting to note that the coal production for Canada for 1918 was slightly over 15,000,000 tons,—an increase over the previous year of a little over 1,000,000 tons,—and the largest production of coal in Canadian history. The fact that Canada produced more coal than ever before was due entirely to the increased output in the western provinces and mainly in the Province of Alberta. Ten years ago Alberta produced twenty per cent. of the total coal production of Canada. To-day it produces 40 per cent.

Now closely aligned to this phase of industrial activity is perhaps the industrial payroll. The amount of money paid in wages to employees actually engaged in the mining industry in 1918 in Alberta was approximately \$14,000,000, the wages of railway men \$12,000,000, and the other industries of various kinds with the exception of farming \$11,000,000,—a total industrial payroll in the Province of Alberta for the year 1918 apart from what is paid in farm wages of \$37,000,000.

I am advised that this Province is making an effort to continue its propaganda in connection with the extension of the coal markets. Winnipeg on the east, Prince Rupert on the west, appear to be the limits, and even those are rather extended, for our coal distribution. An effort lately has been made to obtain a reduction in freight rates in order if possible to work up some trade with the country lying to the south of us. And whether it will be possible to develop any trade in that direction I am not in a position to say, but lately some slight reduction in the freight rate was made in order to take coal to the western States.

By referring to the annual report of the Mines Branch as far back as 1915 it will be found that at that time Alberta coal was selling in Winnipeg at \$9.00 a ton, while to-day the price has increased approximately \$3.00 a ton, the price f.o.b. at the mine here has been increased \$1.25 per ton, the freight rate 60 cts., delivery 50 cts. a ton, making a total of \$2.35 a ton while a recorded increase of 65 cents is absorbed by unloading, breakage, office and other charges.

And adding \$3.00 to the price of a ton of coal is rather a handicap to an extension of the market, and unless some means can be found for reducing the cost of delivering the coal to the consumer we must expect our market to continue more or less restricted.

In Alberta we have 317 mines producing approximately 6,000,000 tons of coal in the year. In the Province of Nova Scotia they have 64 mines producing practically the same output. It should, therefore, be noted that in Alberta 317 separate mines, separate sets of officials and separate overhead charges have to be maintained as against 64 in the Province of Nova Scotia for the same production. That is an indication of the handicap under which coal is being produced in the Province of Alberta, as compared with the Province of Nova Scotia, and possibly indicates the fact that already in this Province we have too many mines in operation, unnecessarily distributing the work over a much larger number of mines and to that extent having a tendency to keep the existing mines running on only part time.

One of the mines in this Province was able to show a reduction in the cost of mining a ton of coal amounting to \$1.15 a ton where the mine worked 85 per cent. of its capacity instead of 50 per cent. In other words, by working at fuller capacity for a larger number of days per week this mine was able to reduce its cost to the extent of \$1.15 per ton. So that in connection with this very important industry we have a great deal yet to do in order to have the industry placed upon a proper commercial basis. Whether or not the responsibility for such improvement rests with this Government or with the operators is a debatable point. Possibly it is a joint responsibility. So far as the Province is concerned the Mines Branch will during the coming year as it has in the past year use every endeavour to see that the output reaches its maximum. The indications are, however, that during the coming year that instead of producing over 6,000,000 tons we shall not produce over 4,000,000 or 4,500,000 tons.

FINANCES OF THE PROVINCE.

Now, Mr. Speaker, with respect to the finances of the Province, I have already stated that at the beginning of the year 1918 the outlook for revenue was none too bright, and that later on and in the early part of 1919 matters changed considerably, and the revenues came in much more liberally and generously than in the earlier part of the year. At the beginning of 1918 the Government was faced with a steady advance in the cost of almost every department of the service. This was due to the largely increased cost of labour and material. Those who entertained the opinion that we acted extravagantly in financing our capital expenditures will have to revise their opinion in that respect since during the year 1918 we were obliged to make but one small bond issue, \$825,000. No further bond issues were necessary excepting what came in from time to time from the sale of bond certificates.

The fact that we only had to make one small loan was satisfactory from the point of view of interest charges because interest charges at that time on borrowed money had reached their maximum going to slightly over 6½ per cent. and in some

instances almost $6\frac{3}{4}$ %. We had authority during 1918 to borrow a further sum of \$1,000,000, but advantage was not taken of this authorization until early in the present year when we placed on the market a bond issue of \$1,000,000. I am pleased to be able to advise the House that this issue of \$1,000,000 sold at a rate of one per cent. cheaper than our previous issue of \$825,000 early in 1918. That effected a saving to the Province on the issue of \$1,000,000 covering a period of 20 years, the life of the bonds, of \$200,000, a rather substantial saving in interest charges alone.

When these bonds were being retailed to the public I was curious to know the yield rate at which they would be sold, and I find they were sold to the public to yield $5\frac{1}{2}$ %. At the same time the Province of Quebec placed an issue on the market which retailed on the same basis to the investor. The City of Montreal placed an issue which yielded $5\frac{3}{4}$ %. It will, therefore, be noted that the bonds of the Province of Alberta were selling on the public market at exactly the same rate as the bonds of the Province of Quebec. This is something that has never occurred before in the history of the Province of Alberta. It has always been the rule in the past that the Province of Quebec and the eastern provinces, even the smaller eastern provinces, were able to command a much better price in the market, and their bonds sold at a lower yield rate to the public than Alberta bonds. For the first time Alberta's bonds are on an identical footing with other Provinces of Canada and on a par with the Province of Quebec.

PUBLIC ACCOUNTS FOR 1918.

Dealing now with the Public Accounts. The income from revenue of the Province in the year 1918 amounted to \$7,660,762. That is, our 1918 revenue amounted to something over seven millions and a half. There was in addition due and outstanding \$1,866,662, making a total of earned revenue of over \$9,500,000. Against this we spent during that year on income account \$8,303,806, leaving an accumulated surplus of \$1,223,618. We were unable, however, to collect the above item of \$1,800,000, so that our actual financial standing at the end of the year showed a deficit in cash of \$643,044.

Now perhaps it might interest the House if we gave a brief statement. I think perhaps the Honourable the Leader of the Opposition has it before him in that large volume in which he appears so interested. We derived our revenue on income account from the following sources for the year 1918 (I am only going to quote round figures as details will be given later on.)

From our Dominion Subsidies, \$1,500,000; School Lands nearly \$500,000; from the Treasury Department \$480,000; from the Provincial Secretary's Department slightly over \$1,000,000; the Attorney General's Department contributed something over \$700,000; the Public Works Department over \$200,000; Agriculture over \$200,000; Dairy work nearly \$400,000; the Telephone Department \$1,377,425; Municipal Affairs, which includes most of the large taxes gathered, \$1,166,601, making a total of some \$7,000,000. Against that we had

expenditures of \$8,303,806. It would be unnecessary to give departmental details of the expenditures as they are already in the Public Accounts.

Now with respect to the assets of the Province of Alberta I will be very brief, with respect to these, as I shall lay on the table of the House a detailed statement. It is sufficient for me to say that our assets at the present time as of December 31st last totalled \$135,000,000. That large sum includes a large item of unsold school lands held in trust for the Province by the Dominion Government and which become when sold a capital investment from which we draw our revenue. It is an asset to us, just as much our asset as if we held it ourselves. The proceeds from the sale of these lands must be retained for investment purposes in order to produce an income for the partial support of schools in this country.

PUBLIC DEBT.

As I have said, we have assets of over \$135,000,000, but we also have a Public Debt to set against that. The Public Debt at the end of December, 1918, amounted to \$31,500,200, the Sinking Fund being \$754,051, leaving a net Public Debt of \$30,746,149 to set against the \$135,000,000 of assets. The Province finished the year with a cash balance on hand of \$1,117,191.11. While this amount seems large, one must bear in mind the fact that a large portion of our revenue remains outstanding until the end of each year, and that our total turnover for the year by way of expenditures amounted to \$10,676,641.

It is only fair that we should have some slight analysis of this debt of \$31,000,000 odd. I have given you the gross debt. But we have in this Province a large portion of our debt invested in revenue-producing assets. There is no disputing that fact, and in comparing our debt with that of the Province of Saskatchewan I would remind you that practically the whole telephone system of our Province is built up from borrowed moneys which stands against our Public Debt; whereas in the Province of Saskatchewan they only control a portion of their telephone system; they only own some of the exchanges, the city exchanges and the trunk lines only; the rural lines are owned and operated by private companies. So that in the Province of Saskatchewan they do not require to borrow so much money as we do for their Telephone System. But at the same time, while we were obliged to borrow more money for our system, because we own the whole system with the exception of Edmonton and Red Deer, we have revenue accruing from year to year to offset that increased borrowing.

I have subdivided our Public Debt into a number of items. Our directly reproductive and revenue producing undertakings amount to \$10,102,000. That is, of the \$31,000,000 of debt we can say that \$10,000,000 of it is directly reproductive and revenue producing. That of course consists largely of our Telephone System. We have, however, other investments which are revenue producing. We have a loan to the Alberta Farmers' Co-operative Elevator Company and other loans which amount to \$3,300,000. Indirectly productive works are represented by a portion of the debt invested in

bridges amounting to \$2,500,000, trunk roads \$3,250,000, surveys and opening of lands \$800,000 and so on; so that we have indirectly productive works amounting to \$7,076,000. Then we have unproductive and non-revenue producing assets in our public buildings amounting to the sum of \$7,634,510.92. That represents the total amount of money that has been spent since the formation of the Province, on our public buildings. There are other capital expenditure which including the above amount in all to \$10,979,566. These various items show a total debt of \$31,500,000. Now of that amount \$13,500,000 is self sustaining, interest bearing. It is no concern of the tax payer,—he does not have to pay a dollar of the charges on that portion of the debt. And the other portion is \$18,000,000; that is, we must find from year to year money to pay the interest charge on slightly over \$18,000,000 of the Public Debt.

I am pleased to be able to say that the Province of Alberta will have no maturing bonds to take care of until 1922. I noticed an item in the newspaper the other day where a province to the east of us had to borrow \$17,000,000, and it would be of little benefit to that province for current purposes, because it would all have to be used to pay maturing indebtedness. Now the situation from the standpoint of the immediate obligation of this Province is quite satisfactory. We have still some three years to think about and arrange for our maturities.

INDIRECT LIABILITIES.

We are assuming from year to year certain indirect liabilities in connection with aid which we have been giving to agriculture from time to time, and I am referring particularly now to indebtedness by way of seed grain advances. I think it is very fitting to draw to the attention of this House the fact that in recent years, at least since 1914, which was a very unfortunate year from the standpoint of seed grain supplies, the Provincial Government felt called upon to intervene and take the situation in hand and since that time the Provincial Government have been gradually adding to its indirect debt by way of guaranteeing to rural municipalities the seed grain which they advanced or on the other hand in the unorganized portions of the Province guaranteeing the borrowing from local banks.

It may be interesting to relate the results of these seed grain operations. In the municipal districts under The Seed Grain Act we guaranteed in 1918 \$368,337. In the first two months and a half of the present year 1919 we guaranteed \$1,046,431.15 to the municipalities of this Province to enable them to borrow from the banks to make the necessary advances. That is, under The Seed Grain Act for 1918 and 1919 up to the present time we are undertaking an indirect liability of \$1,348,544. Under the Provincial Seed Grain Act, in 1917 we advanced \$39,000, of which \$29,000 has been repaid, leaving in round numbers a balance of \$10,000 outstanding on the 1917 Bill. In 1918, however, our Provincial Seed Grain advances through the banks amounted to \$63,000, almost double 1917. This year under the Provincial Seed Grain Act we shall be obliged to advance somewhere between \$400,000 and \$500,000—another half million. So that

taking the advances under both Acts there will be an indirect liability which this Province has assumed since 1917 of \$3,000,000,—and to that extent this Province is coming to the assistance of Agriculture in helping out during the last two or three years of the war, but in addition there is another indirect liability in connection with The Livestock Encouragement Act. The Livestock Encouragement Act is responsible for advances amounting to almost \$1,000,000. In each of the years 1918 and 1919, approximately a half million dollars was loaned out under this Act, thus adding another million to the indirect liability incurred in order to assist agricultural conditions in this Province.

CAPITAL EXPENDITURES FOR 1918.

Our capital expenditures for last year were not as heavy as usual. We spent on buildings and sites \$270,000, bridges \$288,000, trunk road surveys \$158,000, loans to Alberta Co-operative Elevator Company \$212,000, Telephone Construction \$427,000, and certain loans were repaid during the year amounting in all with various miscellaneous items of capital expenditures to \$2,372,835. So, taking everything into consideration we spent from income over \$8,000,000. We spent from Capital over \$2,000,000 and, notwithstanding adverse conditions, I think the fact that we were able in such a year to provide for such large expenditures indicates that the resources of the Province from a financial standpoint are very satisfactory indeed.

ESTIMATES FOR THE YEAR 1919.

The next subject, Mr. Speaker, to which I should like to direct the attention of this House is the Estimates for the year 1919. The finances of the past year, as I have indicated, are an open book. It is not necessary to dwell to any great length on that subject; but with the Estimates for 1919 which I understand have just been distributed, I will take a little more time and cover more detail than I have been in the habit of doing in past years. The estimated income and the estimated expenditure would indicate that the Treasury may expect by the end of the current year,—if all sources of taxation do not fail us or if the various departments from which we draw our revenue do not fall below their estimates,—to have an income surplus of \$19,161.26. That is evidence, Mr. Speaker, of the care with which we have prepared these Estimates. It is also evidence of the fact that we have endeavoured to distribute from income account practically all the money that we expect to receive from taxes. It is also evidence of that fact, which I shall be able to show later on, that we have not inflated our estimate of revenue, but on the contrary have cut that down to the very lowest possible point which we expect it will be. That is, if we make a levy of a million and a quarter dollars under a certain taxation Act we did not in our Estimates place an expected revenue of a million and a quarter because we knew that in the ordinary course we would not collect that amount.

First I will deal with the capital revenue. We expect by the end of the year in order to meet the requirements of this Budget to borrow some \$4,000,000. There will be some miscellaneous borrowings which together with the ordinary income make a total revenue from both

income and capital on which to do the business of the year of \$13,121,470.88. In addition to that we have carried forward from last year, cash in the bank January 1st, \$1,117,191.11, making a total amount available for expenditures of \$14,238,661.09.

That is our revenue side. What do we propose to expend? Our estimates show our capital expenditures of this year will amount to \$4,864,010. Our income expenditures will be \$9,343,309.62, making a total expenditure of \$14,207,319.62, leaving on hand a cash surplus of \$31,342.37.

I will briefly run through the various departments and indicate what Departments expect an increase in revenue over last year. We are providing for much larger expenditures on income account this coming year than we did last year; therefore, it will be interesting to know where we are going to get this additional money. In the first place you will find our Dominion Subsidy will be \$1,621,075. This means an increase of \$82,970. That increase is due to the fact that we were able during the past year to prove to the satisfaction of the Finance Department that our population had increased. The Subsidy Act permits of a readjustment of our estimated population every two and a half years. Each time the Dominion Census is taken we have it automatically but between each census or every two and a half years an estimate must be made. Our Treasury Department, by means of careful estimation, was able this year to show to the Dominion Government that our population had increased from 496,525 to 579,000 souls and by the admission of the Finance Department we were entitled to \$82,970 additional money. The various computations were based on the last census, but we took three methods of calculation. One was the return sent in of the registration of man power recently conducted by the Dominion Government. Then we took our school population, what it is now and what it was a few years ago. And we took a third method based on vital statistics both of the Provincial and Dominion offices. The average result of our three methods is practically what the Dominion Government assumed to be correct, and it is upon that basis that they have given us nearly \$85,000 additional money.

Under the heading of School Lands the item of \$575,000 expected revenue,—we hope to get \$113,000 more. This increase is due to the additional interest received from accumulated principal moneys from the annual sales of school lands. I should like at the present moment to give you a short statement of the present position of the School Lands Fund, and to make some observations as to the manner in which that fund is still being administered. The principal moneys that have so far been collected by the Federal Government from the sale of School Lands amount to \$4,171,094.06. While this money is held in trust for us by the Dominion Government the Province is nevertheless entitled to the interest from that sum each year in order to help carry on our educational institutions. The Dominion School Lands Act provides that that money when collected shall be invested in securities of the Dominion of Canada. But we found that instead of being invested in securities of Canada it was lying in the Bank of Montreal on

deposit bearing three per cent interest. Members of the House will recollect that sometime ago this question was raised and the Federal Government agreed to take this money from the Bank and invest it in Dominion securities, which of course are now bearing a very much higher rate than the ordinary bank interest. They carried out their promises to the extent of investing \$3,000,000, but there is still a sum of \$1,000,000 lying in the bank which has been drawing only 3 per cent. instead of $5\frac{1}{2}$ per cent. We have lately made representations to Ottawa asking that this remaining million be taken out of the bank and invested in Dominion Securities at the higher rate. If this is done it will add \$20,000 per annum more money for school purposes in this Province, and there is no reason why this could not be done at once. It would be very acceptable to the Minister of Education in order to assist in the carrying out his new schemes of educational development.

In connection with these School Land Funds there is still outstanding \$8,224,733. That is, the Dominion of Canada since they began to sell school lands have only collected \$4,000,000, and there is still outstanding \$8,000,000. This money is bearing interest of course at six per cent. and will henceforth bear seven. While it is true that that interest is accumulating and that some day we will get the benefit still while it remains outstanding, there is always the possibility that some of these land purchases will be cancelled and that some of that money will not be forthcoming, and for that reason I think this Government cannot too strongly impress upon the Dominion Government the necessity of being more aggressive in connection with the collection of these moneys which are still outstanding and which should be in the hands of the Dominion Government. We have still unsold in this Province lands amounting to 7,000,000 acres which, valued at \$12 an acre, amounts to \$84,000,000. The amount received in 1917 from School Lands was \$461,000, while the amount spent for education was \$1,187,924. So that our school lands support while it is very generous is not the support it ought to be especially as our grants to Education are growing by leaps and bounds.

The Treasury Department expects to collect this year nearly \$500,000 which is an increase over last year. The Attorney General's Department expects to collect \$868,000 which is \$160,000 over last year. The Provincial Secretary's Department expects to collect \$113,000 over what was collected last year. That department expects to receive \$621,000 from the operation of The Motor Vehicles Act. The Public Works Department will receive \$278,000, an increase of \$66,000 over last year. The Education Department will be very little changed. The Department of Agriculture will be increased. Railways and Telephones expect an increase of \$250,000. The Municipal Affairs Department expects to collect \$2,058,000, which will be an increase of \$891,000 over 1918. This will be largely from The Wild Lands Tax Act and from the Supplementary Revenue Tax. We expect to get from that last mentioned tax a much larger amount, but what we are estimating receiving is \$587,000 more than we actually collected last year. In the other Departments, such as Public Health and King's Printer, there is very little change.

Dealing with expenditures on Public Debt we shall spend \$109,000 more. On Civil Government we shall spend \$70,000 more, made up chiefly in increases of salaries, and due to the fact that we have the new Department, that of Public Health. Our Administration of Justice this year will cost \$144,000 more; this is made up largely by increased expenditures under The Reformatory and Children's Protection Act, also it includes grants under The Mothers' Allowance Act; but the total additional expenditure amounts to \$144,500 under Administration of Justice. The Public Works Department will expend \$313,000 more. It proposes to expend \$1,372,000 on income account and capital account \$2,000,000.

I would draw attention to the larger expenditures of the Public Works Department. I shall refer particularly only to a few of them. Their total will not equal the total expenditure but I shall mention the more important items of Capital Expenditure for this year. Income Account: \$45,000 ferries; \$300,000 main highways; \$300,000 district and local highways, and drainage inspections \$5,000, making a total expenditure of \$650,000. That represents the expenditures of the Motor Vehicles Collections which I told you before we expected would be about \$621,000. Add to that a certain amount unexpended last year and deducting the cost of administration will just amount to about \$648,000.

In connection with the expenditures chargeable to Capital Account,—Public Works,—you will notice an item of nearly \$100,000 under Surveys. The next important item is the ferry service of \$50,000; then under the heading of bridges \$500,000. Capital Expenditures under highways \$100,000. Then under the item of Buildings, the Hospital for the Insane at Ponoka requires an expenditure of \$267,500.

This House will note with pleasure that there is an item in the Estimates this year,—and I want to draw the attention particularly of the Member for Medicine Hat to this item,—of \$150,000 for the construction of Court House at Medicine Hat. It seems a far cry since we first heard of this Court House. I think it was first mentioned in 1913. Through circumstances over which I had no control there was some slight delay, but at any rate the seasons got by without anything being done. Then the war broke out and one thing and another contributed to this most unfortunate and regrettable delay. However, knowing the Member for Medicine Hat as I do, and knowing what he has done Overseas, and knowing he takes a special interest in reconstruction work, I am sure if I would refer this matter to the Member for Medicine Hat to-day he would say he was just as well pleased the delay had occurred and that he would rather have this expenditure now than five or six years ago. Although I admit this Court House is badly needed I feel the wheels of justice have ground on just as well during the past five or six years, although perhaps not with as much comfort as the judges and jurors and the lawyers and litigants might desire.

Then we have another item for the Institute of Technology at Calgary and, much to my disappointment, I find the Member for South Calgary is not here. Then we have

an item of \$100,000 to provide for a home for mentally deficient children. Then we have decided that additional assistance must be given the Agricultural Department to branch out even more than they have in the past in connection with agricultural education in this Province. Every time we propose an extension of our services for improvement it means more money. There is no getting away from that. So that having decided that it was necessary if possible to give greater facilities to the youth of this country in the way of assuring access to agricultural schools we have been obliged to place an item of \$250,000 for the construction of new schools. That amount should, from our past experience provide for three new schools. I may say that these schools will be located at those parts of the Province which are at the present time, as far as the Government are concerned, in the greatest need of these institutions and also where the centre of population,—school population,—warrants that they should be put, having regard to the fact it is desirable to have these schools as near to where the school population is as possible. So that when the Government comes to locate these schools I think the statements I have made in this respect will turn out to be quite within the mark.

MR. WEIR: Have they been located yet, Mr. Speaker?

MR. MITCHELL: They have not so far as I know. I imagine the Minister of Agriculture may later on be able to form some approximate idea in that respect.

MR. WEIR: I thought the density of population had been figured?

MR. MITCHELL: That may be, but I do not think the calculations are final. There is also an item of \$200,000 being the Province's share for the construction of a Sanitarium at Calgary, and there are various other items of expenditure under the Public Works Department, and I hope in submitting an expenditure under this head of some \$2,000,000 that the Government is meeting with approval not only on this side but on the other side of the House. I am well aware that criticism may be made that in a year such as this—the post-armistice Session—that no large expenditures should be made. But I am also conscious of the fact that if these Estimates receive any criticism from members opposite and on the cross benches it may be that the criticism will be that our proposed capital expenditures are not large enough rather than too large.

But I want, however, to draw the attention of the House to the fact that in the preparation of the Estimates, and deciding upon the amounts which we would spend by way of capital, that that necessarily involved borrowing, and we had to take into consideration that this will not be the only year in which governments will have to provide unusual assistance in the way of replacing men in civil life, and also in affording employment to the unemployed generally. If it could be determined that this were the only year we should be called upon to make the unusual expenditures, well and good, but we do not know what is ahead of us in that respect, and we must bear in mind the extent of our financial ability with respect to expenditures and judge the

growth of the public debt as compared with the growth in population and until we can have some assurance that immigration is going to be rapid and buoyant we must be considerate of our public expenditures and careful as to the increase in our public debt.

Once the tide of immigration starts to flow to this Province, as I have no doubt it will in the near future, as soon as transportation facilities are released to take care of the transport of civilians instead of the military as is the case at present, then we can with a little more confidence look forward to increase in capital expenditures. But up to the present time the Government has not been able to see its way clear to expend on actual construction in the Public Works Department during the coming year more than the sum of \$2,000,000. This by no means embraces the whole of our capital expenditures, because you will notice we provide \$2,000,000 under the head of Telephones, and there are various other capital expenditures in other Departments making a total capital expenditure of almost \$5,000,000. I gave this fact to draw the attention of the members of the Committee of Supply to the situation as it appears to us, so that in criticising this Budget as to whether or not the capital expenditures are too large or too small I want them to know what we have in mind, having regard to the well known fact that in a year like this we will of necessity and with good grace provide for the additional expenditures which the unusual conditions resulting from the prospect of peace warrant.

Perhaps you now see why it is that it has been found necessary and desirable to retain The Supplementary Revenue Tax Act in force. You will find an increased expenditure from income account all along the line in the various Departments which I have mentioned. But I come now to one of the most important departments in the Public Service, namely, the Education Department. And you must all be aware that during the past few years there has been tremendous agitation on the part of the public, and particularly the school officials, for an increase in the grants to be paid to the various schools, increased assistance to technical education, and to this idea and that idea,—the building of homes in the outlying districts to be attached to school houses in order that teachers might have better accommodation, and various other new expenditures have been suggested from time to time, the result being that the Government has decided at the solicitation, and I may say the somewhat earnest solicitation, of the Minister of Education, to place considerable increases in the Estimates for educational purposes. These additions will amount to over \$391,000, a very considerable portion taken by one Department only out of the proceeds of our Supplementary Revenue Act. These additional expenditures of \$390,000 are accounted for by increased school grants. The Minister himself will give the details of these increases.

We are giving the University this year an additional grant of \$73,000. This is due to the natural increase in the service. Some of the professors who where overseas are now returning and their salaries must be paid. A few new additions in salaries are being made to the existing members of the Faculty and in some cases extra chairs must be provided. There are one or two new buildings, and this has in-

creased the interest charges on capital expenditure which we must provide for. In connection with the Department of Education, generally, we have made an increase in the number of school inspectors and certain increases in salary, in all making the additional expenditure on the part of the Department of Education in round numbers \$400,000.

Under the head Capital Expenditure, Department of Agriculture, I find an item of \$143,500. This is to cover the cost of demonstration farms. Then there is an item of \$35,000 for the encouragement of horse breeding.

The Public Health Department this year, a new department presided over by the Minister of Municipal Affairs, expects to expend on income account the sum of \$300,000. This involves a considerable drain on our revenues as compared with former years, and is another item which requires us not only to keep intact the revenue legislation which we now have in force but also to use every effort as to securing its efficacy. There will be expended this year considerable sums in order to provide nurses and doctors to the outlying portions of this Province, and the Minister later on will explain that in detail. There will be largely increased expenditures under the heading of General Public Health. There is an additional amount which must be provided to take care of excessive and unexpected expenditures in connection with the influenza epidemic. So that, taking everything into consideration, we have the Department of Education spending additional sums of \$400,000, and the Department of Agriculture spending larger sums, and the Public Health Department spending nearly \$300,000 in that branch of the service.

Then we have an item on page 34—"General Administrative Purposes." We expect to spend \$57,000 more under that heading and that is to provide for some new services under The Labour Bureau Act and also The Public Service Efficiency Act. And then the Telephone Department; that Department will spend under Income Account \$1,600,000, which is an increase of \$428,000 over last year. It is the intention of the Department to establish a larger reserve fund than has heretofore been thought advisable or necessary. In addition to that there will be a much larger amount set aside to provide for sinking fund and depreciation purposes. It is quite proper that this larger reserve should be set aside to take care of depreciation in the future.

The Municipal Affairs Department is providing an item of \$20,000 to assist in Industrial Research. Then there is a commission appointed to investigate the condition of cities relating to that Act. We have allocated the sum of \$10,000 to meet the expenditures under that head. Under the head of Miscellaneous we are proposing to spend \$545,872.15. That is \$70,000 less than last year. This is accounted for by the fact that the contributions to the Canadian Patriotic Fund will not be required this year, and certain other items will not be needed to be taken care of this year. There are also to offset that certain increases, but the total under Miscellaneous

expenditures amounts to \$70,000 less than last year. So that taking all these things into consideration, the various items of increased revenue which we expect to receive from the various departments and setting this against the necessary over expenditures which the Departments will make this year as compared with last year the net result will mean that we shall end the year with a small surplus of approximately \$20,000.

I trust, Mr. Speaker, that the current financial year will be the beginning of a series of years in which we shall be able to show a surplus even if it is only a small one. I would point out, however, that the question as to whether or not we shall have a surplus in this Province in any one year is dependent absolutely and entirely not upon the way we expend our money, nor upon the way we prepare our Estimates, but upon the way the Province is able to collect its various sources of revenue. We have no trouble collecting our Dominion Subsidy, and we have no trouble collecting our portion of the revenue which comes from corporations, succession duties and licences. Our whole trouble centres on the collections of the various land taxes. Of course these have to be more or less elastic, depending upon whether or not the Province has a good year or a poor year, or a successive number of poor years.

The only remedy we have for non-payment is to be active each year in taking tax enforcement proceedings, and this year it is the intention of the Department of Municipal Affairs to amend the Act not only with respect to rural municipalities but also the financial taxation acts so that there will be a more regular and more prompt collection of outstanding taxes. I understand a bill has been prepared for this purpose, and let me say that already the rural municipalities of this Province have been charged with the collection of a large part of our taxation and we are appropriating \$40,000 for the purpose of paying commissions, but just as long as they allow arrears to accumulate just so long will the provincial arrears accumulate, and our attention will be directed to have these municipalities each year see that their arrears of taxes are collected as much as possible and see that tax enforcement proceedings are undertaken with as much regularity as the conditions of the country will admit of.

I might say that in connection with the expenditures it is a notable fact that there are only three items in our whole list of expenditures on income account which have been reduced,—just three items. The demand for expenditures has been so strong and the increases in the various public services have been so large, and the necessity of increasing the staffs in our various departments has been so urgent, that I was not able to make a reduction in the departmental items except in about three instances.

Mr. Speaker, I move the adjournment of the debate. I am practically through, but there are one or two items which I consider of some importance, which I will refer to later.

Adjourned till 3 p.m., Tuesday, March 18th.

Tuesday, March 18th, 1919. House resumes at 3 p.m.

FINANCES OF THE PROVINCE.

MR. MITCHELL: At the time the debate was adjourned last evening I had dealt practically with that portion of the Budget Speech which related to the finances of the Province, and for that reason my remarks this afternoon will be comparatively brief. I should like, however, before starting out to gather up a few of the loose ends in connection with the earlier part of my speech so that we can commence this afternoon from a definite starting point.

I showed yesterday that the debt of the Province was \$31,500,200. I have prepared a brief memorandum dividing that debt, as has already been stated into two portions. One, the revenue producing portion of \$13,444,043.76; and the other, the non-revenue producing portion of \$18,056,156.24. According to our present population the total debt as set out means that our per capita debt amounts to \$54.40. However, I think it is hardly fair to charge up as the per capita debt that portion of the debt which is producing its own revenue and is self sustaining. Eliminating that portion of the debt from the total debt we find that the per capita indebtedness on the non-productive portion of the debt amounts to \$31.18, and this compares very favourably indeed with other provinces situated similarly to our own. I also had gone through the Estimates for 1919 in somewhat more detail than has been my practice during the preceding years, and I will this afternoon only repeat the totals so that we shall have these in mind in connection with the remaining portion of the address.

The total expenditure proposed, including both capital and current account, amounts to \$14,207,319.62. That indicates the extent to which the Province thinks it wise to go in connection with this year's expenditures in looking after not only the ordinary services of the country but also the extraordinary services which we are called upon to face by reason of the unusual conditions. Against that amount, as I have already said, we expect to receive a total revenue, both capital and current account, of \$13,121,470.88, which together with the cash on hand at the beginning of the year, amounting to \$1,117,191.11 makes a grand total of revenue of \$14,238,661.99, indicating that if everything goes as we hope and expect the revenue will outbalance the expenditure.

The amount of money which we shall require to borrow for this year's operations will after making allowance for the cash in hand amount to \$4,000,000. I will only mention very, very briefly the important items of this capital expenditure. They are divided into six classes. First, the large class of public works amounting to \$2,114,300; then a small item in connection with advances to the weaker school districts amounting to \$10,000 in case anything is needed by way of assistance in that respect. For Agriculture the capital expenditure will be \$143,500; this provides for demonstration farms only; the item for Schools of Agriculture will be found under the Public Works expenditure already mentioned. In connection with the administra-

tion of lunatics' estates we are asking for a small capital amount of \$5,000. In connection with Municipal Affairs we are asking for a capital expenditure of \$10,000 in order to pay the school taxes on lands which become forfeited to the Province. Under the heading of Miscellaneous Expenditure, there is included the capital expenditure of the police, Returned Soldiers' Bureau and other patriotic work of that kind, an advance of \$500,000 to the Lacombe and Blind Man Valley Railway from capital account in order that further construction may be proceeded with, making a total under miscellaneous of \$2,864,010, to which must be added the proposed capital expenditure for telephones, making a grand total amounting to \$4,864,010.

I should like to point out to this House that the expenditures which I have just reviewed so far as income is concerned amount in all to a net additional expenditure for the current year of \$1,044,128.32 over what was actually expended in the past year. That is on income account alone and it has no reference to borrowed money.

ARREARS OF REVENUE.

In connection with these matters I think it would be interesting to review certain details concerning arrears of revenue outstanding as of December 31, 1918, revenue which has been earned but uncollected, I have prepared a statement more or less general, but which nevertheless indicates the various sources of revenue which have failed to make good the amount which we estimated they would from time to time. This statement does not refer merely to the deferred revenue of the past year, but includes all of the outstanding and uncollected revenue since the Province was created. It practically relates only to the last three or four years, possibly five years; so that any amounts included in this total would not necessarily be of old standing and therefore dead material. I can give this House the practical assurance that a very large proportion of this outstanding amount is collectable and will be collected during succeeding years.

There is outstanding at the present time in connection with The Educational Tax Act the sum of \$321,836.42; in connection with the Supplementary Revenue—in round numbers—\$998,000; in connection with The Wild Land Tax \$1,102,278.28. That item is large but it includes the large item of the Hudson's Bay Company and one or two others. There is at present litigation going on to determine whether or not the Hudson's Bay Company is liable for this tax; off hand, I think the amount is \$150,000, a very considerable sum. I do not want to anticipate what the judgment of any court might be, because it has reached the point where the highest court of the land is dealing with it.

The Timber Areas Tax shows annual arrears of \$12,000; The Railway Taxation Act shows arrears of \$126,000, mainly taxation owing by the Canadian Northern Railway. There is a dispute in connection with this item because the Canadian Northern Railway have always claimed that they were exempt from this railway tax with respect to their main line in this Province. We have always insisted that they were liable, and each year have sent them

an account, but so far have been unable to collect it. Last year this House altered the Statutes so that with respect to succeeding years there could be no doubt as to the liability of that main line to taxation under The Railway Taxation Act; but whether we shall be able to collect the item I have just mentioned is problematic. Possibly now the Canadian Northern has become part of the Canadian National Railway System the situation may be improved in that respect.

The Corporation Taxation Act shows arrears of some \$500. The Dominion Grant in aid of Agriculture is short \$12,500. We have word from Ottawa that as soon as the details are forwarded that that amount will be paid. Under The Succession Duties Act we have arrears of \$114,197. This is a comparatively small amount, considering the total transactions, and relates almost exclusively to new estates of the last two or three years. For seed grain advances there was outstanding \$26,000 in 1918. That relates to the old seed grain advances. We had quite a large seed grain advance in that year, and we have cut the amount down to \$26,000. Uncollected from Creameries is the sum of \$35,000; and from school lands, that is the interest on the School Lands Fund which is our property but which is uncollected, the sum of \$800,000. So that we have a total outstanding revenue of \$3,549,568.49. Possibly from this amount it might be well to deduct the interest on the school lands, because we have nothing to do with the collection of that amount, and if that were deducted it would bring it down to \$2,750,000. But at any rate, pleasant thing to know,—it is pleasant to know that we at least have this money in reserve, and that with adequate facilities for taking the necessary steps to enforce payment of these arrears when the time is considered advisable that we shall have this amount to supplement past deficiencies.

Dealing with the question of revenue from land taxation, I should like to point out that last year from three separate land taxes we estimated that we should receive \$1,830,000 in the Municipal Department. We based our hopes upon receiving that amount, but we actually received \$1,091,282.92 leaving an amount uncollected from these three sources of \$738,717.08. That accounts very largely for our deficit of \$643,000.

The total assessment under The Wild Land Tax Act for the year 1915, the first year in which it was imposed, applied to a little over 8,000,000 of acres. This last year it amounted to 7,270,293 acres, or a reduction of about 1,000,000 acres in the assessment, indicating that considerable cultivation had gone on, and being a pretty fair check on my estimate of yesterday that about 1,000,000 additional acres had been put under cultivation, and I find that this additional amount occurred either in the year 1917 or 1918, and I think is a tribute to the efficacy of this Act in forcing land under cultivation. There is no doubt in the world, of course, that the high prices for grain had somewhat to do with it. But, nevertheless, it reminds one that the money to be derived from this Wild Lands Tax will gradually be a diminishing factor as cultivation proceeds.

SUPPLEMENTARY REVENUE TAX ACT.

Now I made some reference to the fact that The Supplementary Revenue Tax Act would be continued, and also that there would no doubt very shortly be a modification in the method of the imposition of the tax. It is my understanding that at the present Session the Honourable the Minister of Municipal Affairs will deal with this phase of the matter. It is unnecessary for me to point out any specific reasons for the retention of this Tax. This will probably be greeted with some degree of pleasure, because in other years we have been in the habit of looking for new sources of revenue. Sometimes avenues that were opened up were rather broad, at other times we probably got only part of the sources of revenue, and outside of re-adjustments and that sort of thing the net result was not very comprehensive, but last year we made a very fair start in that respect, and I think if we are permitted to retain our present taxation, which in my opinion is not unduly onerous, we will with the improved methods of collection, and with the concurrent assistance of reasonably good crop conditions in this Province this year and succeeding years, be able to furnish sufficient moneys to adequately carry on the current expenses of this Province without the necessity of cutting down any of the larger items of expenditure.

GRANTS, ETC.

We shall be able not only to maintain our present grants but also to increase these grants as we are doing very materially this year, and I think the Members opposite,—I have no doubt of the Members on this side of the House,—have already felt this has been a necessary and a desirable thing to do. But Members opposite should also remember that if this Government is to carry on the Public Service in a proper way and keep pace with the growing requirements of the Province that we ought to have a reasonably large source of revenue income. I think we have now reached a point where we can get along very well and maintain our services properly. So that I should be very much surprised, Mr. Speaker, to find any unusual or carping criticism in this House with respect to our taxation as it stands at the present time, because it should be remembered that the situation is not all of the making by Members on this side of the House, that very frequently in the past when estimates of expenditure were laid on the table that we had the largest and fullest and most complete co-operation of Members on the other side for these expenditures. I recall very few instances indeed where Members opposite divided this House in any serious degree in connection with proposed expenditures on current account. There have been times when the Committee of Supply was divided as to whether or not we should devote specific money for this purpose or that purpose, but it was always agreed in the net result that expenditure should not be curtailed. Once in a while the suggestion was made that instead of devoting certain moneys for general purposes that it should go for various specific purposes, and in one instance I know we were requested to direct that money for purely patriotic purposes which we were unable to see our way clear to do.

LARGE ITEMS OF EXPENDITURE.

But I believe that in connection with this budget there will be no serious objection to the larger items of expenditure. I wish once more to draw your attention to the fact that this year we are asking for over \$1,000,000 additional expenditure, and I just wish to say in a very few words where this additional expenditure comes from. That represents the new services that are being provided for; and first there is the fact that there are in the estimates \$70,000 distributed through the various departments to provide for increases that will occur in connection with the administration of the Efficiency Officer's work. \$70,000 for increases in salaries throughout the various Departments; that may appear to be a small amount or it may not. It is a matter on my part more or less of guess work, and I give notice to this House now that we do not intend to bind ourselves down to that specific amount if it is found as a result of the investigation and report of the Efficiency Officer that additional moneys will be required to make good these increases, and it will be necessary for us to provide for the additional amount some other way in the meantime, bearing in mind that this is the first year and we have no detailed information upon which to base an estimate to provide for these increases in salaries. And let me say just here while I am on this matter of increases of salary that in the month of December we gave some slight recognition to the Civil Service in connection with some increases in salary.

But there was one thing overlooked in the criticism of that bonus at that particular time, and that was the fact that all through the four or five years of this War this Government has been increasing salaries of the civil servants to a very large extent. That is something that has been overlooked. The impression got abroad that we had permitted the civil servants to run through the war period and the increased cost of living without having done anything by way of increasing the living allowance, whereas the contrary was the fact. Hundreds and hundreds of cases can be shown where increases of salaries have been made up to what we thought was an adequate remuneration at that particular time. But for the year 1918 we thought that owing to the unusual conditions we would add an additional amount to the increases that had been made previously and the amount in this year's Estimates will be in addition.

Then we are asking for another new expenditure under the Public Health Department. We are asking a total expenditure of over \$300,000. Some of this includes expenditures that were made previously in other departments. We have now gathered a certain round of services that are correlated to each other under the Health Department. Under The Mothers' Allowance Act \$50,000. To provide for increased expenditures on account of education including additional grants to schools \$390,000. Some \$75,000 this year is being charged to income account for the patriotic work in connection with the Soldiers' Aid Commission which was heretofore carried under Capital Account, and we have an item of \$50,000 which we propose to use on Capital Account.

Altogether, these various items total over \$1,000,000 extra expenditures and is a proper justification of our wish to retain the present taxation.

DIRECT TAXATION.

Now the impression has also got abroad in this country that we are gradually being forced to direct taxation. I see it repeatedly stated in some sections of the public press that we have now arrived at the stage where direct taxation must be imposed on the people of this Province. Well, it is no news to anybody. We have had direct taxation in the Province of Alberta since 1905, and we have never had any other way for securing the revenues for carrying on the public works of this country. And the only way we can get our revenue, under the terms of The British North America Act and the Constitution which the Dominion of Canada gave us when they passed the Alberta Act, was from direct taxation, and if I were to introduce legislation for the purpose of gathering revenue by indirect taxation the Honourable Member for West Edmonton would be one of the first to rise in his seat and say it was absolutely unconstitutional, and I should have to confine myself entirely to direct taxation. The only new thing about it is that in the early history of this Province the direct taxation was collected chiefly from the corporations, also we got our money from the Federal Treasury by way of an annual subsidy, and in the earlier history of this Province these two methods of obtaining our revenue were sufficient for our purposes.

But Members of this Legislature must remember that our requirements have grown very materially and that we have a very vigorous aggregation,—that word is not used in any unpleasant sense,—a very considerable number of very active organizations in this country that are continually pressing upon this Government for social legislation such as I referred to yesterday, which involves considerable expenditures, and which will in the future involve a considerable amount more than appears apparent on the surface at the present time, and I just want to say that in the next three or four years some of the legislation which we are now starting will no doubt eat into our current revenues to a very considerable extent. But at any rate I referred to the question of direct taxation to show it is not any new thing we are drifting to. The only new thing about it is that by reason of the fact that our requirements have grown, our educational system has grown and our institutions and we require more money. Our commercial and industrial standing in this Province has not been sufficient to warrant us in getting this additional amount from the corporations. We were unable to get any additional amounts except from the Federal Treasury, and we had to get additional taxation from the lands that heretofore were only taxed for their school purposes and possibly a small amount up to a few years ago, some \$2.00 a quarter section, for road purposes, and that did not go into the Provincial Treasury at all, but was used in the district in which it was collected.

UNIVERSITY OF ALBERTA.

Now, Mr. Speaker, I am through with the financial aspect, and I only want to refer to one or two other topics in a general way. As the University is asking for some \$60,000 additional expenditures I think that perhaps some reference, briefly, ought to be made to what the University is doing in this Province and I am going to refer more particularly to its work in connection with the war, because I think that if there is one institution in the Province of Alberta that has gone whole-heartedly into war activities, it is the University of Alberta. On the Honour Roll of the University we find men who have enlisted, including students, staff and of the alumni no less a number than 433, and of that number there were killed in action 67. Not only that, but there are among that 433 men who distinguished themselves in various ways, and I will give you a list of those who received decorations: One received the Victoria Cross; one received the Distinguished Service Order; 12 received the Military Cross, and 14 the Military Medal, making a total number of 28 receiving decorations. In addition to this, the University was represented in practically all branches of the service, and in the early stages of the war contributed to the various contingents. It reinforced the Princess Patricia Brigade, and raised the Western Company of the University Battalion, and it also joined with other Canadian universities in recruiting the first Canadian Tanks Battalion. The education work of the Canadian Army under the name of the Khaki University has been under the direction of Colonel Tory, and a large part of the success of this idea is due to the initiative of Colonel Tory, and the fact that the idea has been adopted in several other branches of the army is a tribute to his skill. It seems to me it is a nice thing to know that the University has done what it has, and that Dr. Tory is over in England undertaking that work.

An appropriation is being asked to expend on the University for general purposes of \$245,473; also for interest charges \$94,020, making a total expenditure of \$339,493. There have been laid on the desks of Members details of the proposed University Expenditures. In the main estimates themselves you will find we have put in a lump sum but we have put in supplementary estimates showing the details. In Committee I imagine we will consider details and it will be open for discussion, but when it passes Committee I prefer that it be passed as a lump vote, but it will not be passed until every item of the supplementary estimates has been discussed.

With respect to the number attending the University. In 1914-15 there were 439 students; the next year 418; the next year 305; the next year 336, and the current year 507. And I am informed by the Acting President that for the coming year of 1919-20 they have every expectation that there will be 700 students enrolled, so that this is some warrant for asking for the additional amount which is being provided for this year. At any rate, during the last year or two the service has gone down by reason of the fact of so many of the professors going to the front, and these men are returning and will have to be retained in the Service.

HOUSING PROBLEM.

There is another item of general policy and that is the housing problem. You are aware the Federal Government is willing to advance a certain amount of money to the Province, although the Act provides that the Province be linked up in the scheme, and also the municipalities which require assistance under the Act. I am not in a position to-day to say to the House what the conclusion of the Government is with respect to our participation under the provisions of that Act. We have been endeavouring to get information for some time as to whether or not there is a real necessity in this Province for additional housing accommodation other than what can be normally supplied by private enterprise and private means as heretofore has been the case. We have sent our inquiries to the various municipalities, and our information up to the present time is indeed very meagre and one would be almost forced to the conclusion that with the exception of certain isolated cases that there is no acute situation with respect to the housing problem which will require the attention of the Province in this particular manner. However, before the Session terminates if the Government comes to the conclusion that we ought to participate in this scheme or ought to carry on this work as a Provincial matter apart from the Federal Housing Scheme a supplementary estimate will be presented to this Legislature and you will be asked to consider it.

PROVINCIAL POLICE.

Another very heavy item of expenditure which will be an increasing one is the matter of the maintenance of the Provincial Police. That Police Force is becoming rather a heavy drain on the revenues of the Province. It was essential that we should have it and we must maintain it to as high a degree of efficiency as is possible under the conditions that have been existing in the past few years in that respect, and under conditions which we expect will be obtained by reason of legislation now being passed. But be that as it may, I am not here to discuss the merits or the de-merits of the Provincial Police. All I am referring to at the present time is the cost of administering this; whether it be good, bad or indifferent it is going to cost us money. Personally, I think the protection which the Provincial Police has afforded us in this Province up to the present time, taking all the circumstances into consideration, has been as adequate as we could expect under the circumstances and as adequate as is provided anywhere on this continent.

It will be of some interest to state that in 1918 there was spent from current account on the Provincial Police the sum of \$329,811.63, and this year we expect to expend \$390,790, an increase of practically \$60,000. There is only a small expenditure on capital account of some \$13,000, but in the other items of expenditure on income account we have included provision for some \$50,000 for the specific purpose of the enforcement of The Liquor Act. That is an additional amount for the enforcement of that specific phase of police activity in this Province. I have prepared a brief statement showing in a summarized form the outstanding expenditures in connection with this

item of \$404,000, and as the item appears in bulk in the main Estimates I will read this, and if it is the desire of the House to have more minute details they can be furnished. It was not put in the Estimates because the details are very voluminous and I did not think it was necessary to put it all into the Estimates. The main items of expenditure on Income Account are under the following heads: Arms, Munitions, Accoutrements \$690.00; General Office Supplies, \$5,000.00; Clothing equipment \$9,300; Forage \$1,300.00; Fuel, Light and Water \$4,000.00; Horses and Dogs \$3,200.00; Maintenance and travelling Expenses \$30,000.00; Maintenance and Travelling Expenses of Prisoners \$35,000.00; of course that last item belongs more to the Administration of Justice, but nevertheless the Police are called upon to see to the transportation of these persons and to pay for their maintenance while they are under their care travelling, and we thought it desirable to include this expenditure under the Police vote. Possibly to that extent it inflates the Police vote; but that amounts to a large item. Vehicles \$10,000.00; Pay for the Police Force \$260,000.00; Repairs, Rentals, Renewals \$16,000.00; Transport and Freight \$4,000.00; Buildings \$600.00.

DOMINION POLICE.

The proposed expenditure under this legislation for the coming year will be \$42,270; that is what we propose to expend and there will be a revenue item of practically that amount which we shall receive from the Dominion Government as their share of the cost of carrying it.

NATURAL RESOURCES.

And there is another question, that of the natural resources, and it is not my intention at the present time to enter into any discussion of that much discussed subject. It has been very thoroughly threshed out in the past and the public mind has been unanimous on that point. Even governments seem to be fairly unanimous on that point. It is, therefore, hardly necessary for me to say anything other than to express the opinion that in my belief I think we are much nearer a solution of the difficulty than we have ever been at any time during the numerous negotiations that have been going on; and I think it is a matter, in my own opinion, of only months until some definite conclusion one way or another will be arrived at; and I really believe that the objections which have been alleged by the eastern provinces and particularly the two larger and wealthier provinces of Canada will not prevail to such an extent that it will be found necessary to unduly reduce our present cash subsidies. It may be a question of reservations and other matters which have been mentioned in connection with this subject, and is not one we can discuss at the present time because these points are simply being discussed in generalities and there is no specific data as to what the Dominion Government have in mind in connection with that matter.

ALBERTA'S WAR EFFORTS.

I wish also before I take my seat to refer to Alberta's efforts in a general financial way in connection with the War and its part in aiding to finance war activities. I am not now referring to any aid that the Province through the Government has given. I refer to

the two Victory Loans. We are well aware that in 1917 the people of this Province purchased bonds to the extent of \$17,000,000. In 1918 notwithstanding the adverse conditions nearly \$18,000,000 was raised, \$1,000,000 more than the preceding year, and then from other various sources such as Red Cross work and the Red Triangle Fund, the Patriotic Fund and various other relief and charitable organizations there was contributed through these organizations by the people of the Province some \$5,480,830,—nearly five millions and a half contributed through the various organizations, of which the Provincial Government contributed \$1,226,000.

There is only one more reference that I should like to make in connection with Victory bonds and that is that it is highly necessary for the people to realize that they ought to retain these bonds as an investment and not allow themselves to be fleeced by ambitious promoters who are endeavouring to sell stock in new companies that are bound to come into being with the resumption of commercial activities of various kinds. There is a tendency on the part of promoters to endeavour to induce, especially smaller holders of these bonds, to exchange them for less valuable or perhaps worthless stock certificates, and I trust that those who now hold them will continue to hold them and before they dispose of them to see that they are disposed of through the proper channels.

FARM LOANS.

There is one other matter, and that is Farm Loans. That Act was passed several years ago. It was passed with the idea that we could ameliorate to some degree the interest situation in this Province so far as it related to farm loans. At the same time we put through other legislation, that is, The Livestock Encouragement Act and also Rural Credits Act. The Rural Credits Act has not up to the present time been taken advantage of to any great extent. There are one or two contributing causes for this; one was the attitude that the banks adopted towards this measure, and another was that the people of the Province were not sufficiently enough interested in this work at this time. But at the present time I may say that there is a likelihood of amendments of a minor character being brought in to this Bill which will enable us to present something to the borrowers who require the services of this Act in such a way that the Banks will not only be willing to do business under this Act but the people themselves will be able to work to much greater advantage. What is known as the Cow Bill has been in operation and has served people to the extent of over \$1,000,000. In 1917 we guaranteed advances under this Act to the extent of \$455,620; in 1918 we extended it to \$564,480. That gives the farmers under that Act 6 per cent. money and although our other rural credit legislation has not been operated we at least I think have done fairly well under the provisions of this Act. In fact under this one Act we have awarded almost as much credit to the farmers of this Province as a neighbouring Province has to its farmers under a Farm Loans Act. The interest accrued to date amounts to \$30,517 and we have collected of that debt \$24,093, leaving a balance unpaid of \$6,424, and that has been coming in gradually since the first of the year. Another interesting phase of

this is that we received in all 929 applications; that in 1917 we guaranteed 208; in 1918 261 applications,—a total of 469 applications dealt with. We also investigated and did not deal with 47. There were 99 awaiting investigation and we cancelled or rejected 287 applications, which would indicate that careful scrutiny is being maintained in connection with the operation of this Act. The number of cattle purchased under the Act in 1917 amounts to 4,536; in 1918, 8,329. The total moneys spent under the Act in 1917 and 1918 amounted to \$856,133, though we guaranteed a much larger amount.

With reference to The Farm Loan Act, the distinction between that and The Co-operative Credit Act and The Livestock Encouragement Act is this, we can start The Livestock Encouragement Act and it involves only a half million, a million or a million and a half dollars. We are getting that through the banking institutions. It is not Provincial money, we are simply guaranteeing. The Rural Co-operative Act is much the same. But with respect to The Farm Loan Act, once that Act is put into operation it will involve many millions of dollars and in my opinion it is not safe or advisable to begin the operation of that Act until this Government has definite assurance that the money can be forthcoming in sufficiently large quantities to make it worth while to start the Act with its constant overhead charges of management and office expenses. At the same time there must be the assurance that this money could be got at a sufficiently low rate of interest to enable us to add one per cent. for administration expenses and re-loan to the farmer at a sufficiently low rate to make it worth his while to borrow the money from us. That was the theory upon which the Act was built up, and that was the theory under which we accepted and hoped to operate the Act. But you are all aware of the conditions that prevented the carrying out of that arrangement. At the time the Act was in force the American market was open to us and we expected to get our money from that source, and very shortly afterwards it was closed, so that we were not permitted to borrow either in the Old Country or in the United States, and there was no money available in Canada. It is true that Manitoba and Saskatchewan have commenced the operation of their Acts and it has been operated to a limited extent and I do not think perhaps it is etiquette or comes within my province to draw comparisons of what is being done under these Acts in these two provinces to justify the position of this Government at the present time, but I will say this, that in one of the Provinces operating this Act the applications show applications for loans amounting to \$9,000,000 already and they have not been operating two years and they have dealt with less than a million and three quarters.

There may be some dissatisfaction in this Province because we are not operating this Act, but it seems to me the dissatisfaction would not be lessened to any degree if we were operating the Act and could only take care of less than two millions out of nine millions in applications. And that is the reason the Government thought we were not justified under existing conditions in operating the Act until such times as the money markets become normal, and until such

time as we have access to the Old Country loan markets where most of the Provinces sell their debentures. For that reason I think it is safe to say that during the current year it is not the intention of the Government to commence the operation of that Act.

CONCLUSION.

In conclusion, Mr. Speaker, I simply want to say that, taking our budget as a whole it appears to me that it reasonably fills the requirements of the times. We believe we have the organization and the equipment to take care of double and treble and quadruple our population without adding materially to our annual charges, excepting perhaps for telephone construction and for educational purposes and the various grants which are related directly to increase of population. And when I say that we have the equipment and the facilities for handling without additional expense a larger population I am not in any way, I think, admitting that we are over-manned so far as the Service is concerned; because you are all aware that in connection with all government matters we must have organization. It applies equally as well to a municipality as it does to a Provincial or a Federal Government. There is a minimum plant without which we cannot get along, and it involves that minimum of expense. At the present time we are operating under that minimum of organization and expense, but nevertheless it is sufficient to take care of the wants and requirements of a very much larger population. When we get that population and can rely and depend upon it for support in the way of taxation and revenue then we will be in a relatively much better position. I have no hesitation in saying that we may look forward with confidence in the near future to a very considerable amount of immigration with all the advantages both financial and otherwise that naturally follow.

STATEMENT NO. 1

WOOL GROWING

	1914	1915	1916	1917	1918
No. of lbs. handled	1,477,007	1,570,053	2,048,340	2,086,633	2,500,000
Prices realized, cts.	.16	25¼	30½	57	.60
No. of Producers	570	860	950	1150	1088
Value	\$236,321.12	\$396,438.38	\$624,743.70	\$1,189,380.81	\$1,500,000.00

STATEMENT NO. 2

COAL PRODUCTION IN 1918.

Domestic	3,035,061 Tons	\$10,622,713.00
Bituminous	2,982,334 "	11,929,336.00
Anthracite	131,225 "	524,900.00
Briquettes	100,470 "	602,820.00
Coke	32,858 "	233,148.00
Total	6,281,948 "	\$23,912,917.00

STATEMENT NO. 3

ALBERTA

ESTIMATED YIELD AND VALUE OF AGRICULTURAL PRODUCTS
AND LIVE STOCK, 1918.

	Acreage	Bushels	Yield per acre, bus.	Price	Revenue
Spring Wheat ---	3,848,424	23,090,544	6	\$2.00	\$ 46,181,088.00
Winter Wheat ---	44,065	660,975	15	2.00	1,321,950.00
Oats -----	2,651,548	60,322,717	22¾	.90	54,290,445.30
Barley -----	470,073	7,756,204	16½	1.25	9,695,255.00
Flax -----	95,920	479,600	5	3.25	1,558,700.00
Rye -----	47,877	825,878	17¼	1.50	1,238,817.00
Mixed Grains ---	27,989	139,945	5	1.00	139,945.00
		Tons	Tons		
Hay -----	469,000	234,500	0½	20.00	4,690,000.00
Alfalfa -----	31,390	31,390	1	23.00	721,970.00
		Bushels	Bushels		
Potatoes -----	30,000	3,750,000	125	1.10	4,125,000.00
Turnips -----	7,416	1,483,200	200	.40	593,280.00
Mangolds -----	1,538	307,600	200	.40	123,040.00
Other roots ---	2,552	510,400	200	.50	255,200.00
Animals Slaughtered and Sold -----					50,000,000.00
Dairy Products -----					27,500,000.00
Wool Clip (2,500,000 lbs.) -----					1,625,000.00
Game and Furs -----					2,250,000.00
Horticultural -----					200,000.00
Poultry and Products -----					4,000,000.00
Coal and Coke and Other Coal Products -----					20,979,392.75
Manufactured Products -----					40,000,000.00

1918 ----- \$271,489,083.05

Increase over 1917 in Live Stock on hand ----- 53,305,100.00

1918 ----- \$324,794,183.05

1917 ----- 333,309,183.50

1918 Decrease ----- \$ 8,515,000.45

Production per capita \$560.96. Decrease 2.55%.

Live Stock	Number	Price	Revenue
Horses -----	791,246	\$100.00	\$ 79,124,600.00
Swine -----	601,534	20.00	12,030,680.00
Sheep -----	332,179	12.00	3,986,148.00
Dairy Cows -----	328,702	80.00	26,296,160.00
Calves -----	397,670	15.00	5,965,050.00
Steers -----	195,035	100.00	19,503,500.00
Other Cattle -----	730,949	50.00	36,547,450.00
Bulls -----	39,226	100.00	3,922,600.00

1918 ----- \$187,376,188.00

1917 ----- 134,071,088.00

1918 Increase ----- \$ 53,305,100.00

STATEMENT NO. 4

STATEMENT OF GOVERNMENT GRANTS FOR PATRIOTIC PURPOSES
SINCE OUTBREAK OF GREAT WAR

	1914-16	1917	1918	Total
Can. Home Belgian Soldiers----	\$ 486.66			\$ 486.66
Belgian Relief -----	16,053.33			16,053.33
Gift of Oats to Britain -----	271,815.81			271,815.81
Catholic and Huguenot Relief	1,999.99			1,999.99
Recruiting -----	3,000.00	\$ 1,000.00		4,000.00
Patriotic Fund, North and South	11,500.00	13,500.00	\$800,000.00	825,000.00
Returned Soldiers -----	8,606.38	15,688.99	38,328.08	62,623.45
Halifax Relief -----		50.00		50.00
Boy Scouts -----	1,000.00	1,000.00	1,000.00	3,000.00
Navy League of Canada -----		5,000.00	5,000.00	10,000.00
Military Y.M.C.A. -----		5,000.00	5,000.00	10,000.00
French Wounded Emergency --		10,000.00		10,000.00
Red Cross -----		5,000.00		5,000.00
Great War Veterans' Ass'n --			2,580.00	2,580.00
Polish Army Hospital Fund----			1,000.00	1,000.00
Knights of Columbus-----				
Military Huts -----			2,500.00	2,500.00
Western Veteran -----			400.00	400.00
	<u>\$314,462.17</u>	<u>\$56,238.99</u>	<u>\$855,808.08</u>	<u>\$1,226,509.24</u>

STATEMENT NO. 5

MATURITY OF LOANS.

1922	
10-year Debentures -----	\$4,937,706.67
5-year Gold Debentures -----	1,675,000.00
	<u>\$ 6,612,706.67</u>
1923	
10-year Gold Debentures -----	3,600,000.00
1924	
10-year Gold Debentures -----	7,400,000.00
1925	
10-year Gold Debentures -----	4,000,000.00
1926	
10-year Gold Debentures -----	2,000,000.00
1928	
10-year Gold Debentures -----	825,000.00
1938	
30-year Gold Debentures -----	2,000,200.00
1942	
30-year Stock -----	62,293.33
1943	
30-year Stock (partly debentures) -----	5,000,000.00
	<u>\$31,500,200.00</u>
Sinking Fund -----	754,050.53
Net Debt -----	<u>\$30,746,149.47</u>

STATEMENT NO. 6
PROVINCE OF ALBERTA

Allocation of Permanent Loans raised from 1905 to 1918.

(a) Directly Reproductive Undertakings:

Telephones	\$9,762,330.55	
Demonstration Farms	340,664.21	
		\$10,102,994.76

(b) Investments—Revenue Producing:

Advance to Central Canada Railway	\$2,000,000.00	
Advance—Alberta Farmers' Co-operative Elevator Company, Limited	1,081,213.38	
Advances—School Districts	26,557.64	
Advances—Creameries	5,563.03	
Advance—University	2,500.00	
Advance—Vendors of Liquor Stores	17,000.00	
Advances—(Taxes on forfeited lands)	17,572.19	
Advance—Lacombe & Blindman Valley El'c. Railway	116,151.16	
Shares in Lacombe & Blindman Valley El'c. Railway Company	1,687.15	
Principal moneys from Elevators invested in Sinking Funds	72,371.84	
Advance re Lunatics' Estates	432.61	
		\$ 3,341,049.00

(c) Indirectly Productive Works:

Bridges	\$2,514,521.80	
Trunk Roads and Bridges	3,445,961.68	
Roads—District and Local	32,054.09	
Surveys	871,263.13	
Drainage	10,866.29	
Inspection of Public Works	110,103.34	
Ferries	91,829.35	
		\$ 7,076,599.68

(d) Unproductive:

Public Buildings (including Stock Advance) ..	\$7,634,510.92	
Buildings and Equipment, Provincial Police ..	43,642.06	
Grant, Hillcrest Relief Commission	20,000.00	
Gift of Flour to Belgium	15,000.00	
Gift of Oats to Great Britain	271,815.81	
Relief to towns and cities	58,974.62	
Springbank Irrigation District	25,000.00	
School Ordinance Section 130	2,579.97	
Patriotic Purposes	135,658.57	

\$8,207,181.95

Miscellaneous including discount and Expenses of Raising Loans	2,772,374.61	
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\$10,979,556.56

\$31,500,200.00

STATEMENT NO. 7

SAVINGS CERTIFICATES PURCHASES
FROM MAY 1917 TO FEB. 15th, 1919.

Alberta	\$1,263,434.17
Saskatchewan	29,276.59
Prince Edward Island	1,121.63
British Columbia	44,718.22
Manitoba	3,587.94
Ontario	3,970.91
Dawson City, Yukon	264.44
California	285.04
Yarmouth, Nova Scotia	552.00
Shanghai, China	611.44
Michigan, U.S.A.	460.63
New Jersey, U.S.A.	3,229.58
Kansas, U.S.A.	2,102.68
Ohio, U.S.A.	308.10
Illinois, U.S.A.	5,709.30
Oregon, U.S.A.	3,538.84
Wisconsin, U.S.A.	664.58
England	1,041.05
Ireland	8,961.05
	<u>\$1,373,838.19</u>

STATEMENT NO. 8.

ASSETS OF THE PROVINCE

The Assets of the Province of Alberta as compiled at December 31st, 1918, totalled \$136,810,688.38, made up as follows:

Dominion Government Debt Allowance	\$ 8,107,500.00
School Lands Fund	12,055,385.24
Telephone Plant, Stock, Tools, etc.	9,762,330.55
Demonstration Farms	340,664.21
Loans:—	
Alberta Farmers' Co-operative Elevator Company	1,081,213.38
Central Canada Railway Co.	2,000,000.00
Creameries	5,563.03
School Districts	26,557.64
Lacombe & Blindman Valley Electric Railway	157,862.13
Lacombe & Blindman Valley Electric Railway, Shares	1,687.15
Cash in Banks	1,117,191.11
Miscellaneous	19,500.00
Total Revenue—Producing Assets	\$ 34,675,454.44
Public Buildings, Bridges, Roads, etc.	14,754,752.66
Deferred Assets (Unsold Lands)	82,913,400.00
Deferred Revenue	3,546,482.14
Miscellaneous	62,369.64
	<u>\$135,952,458.88</u>

Our Assets have therefore increased by \$4,838,725.71 over the year 1917, made up of additional accretions to the School Lands Trust Fund and that portion of our Public Debt invested in permanent undertakings.

STATEMENT NO. 9.
PROVINCE OF ALBERTA
STATEMENT OF LIABILITIES AND ASSETS AS AT DECEMBER 31st, 1918.
LIABILITIES.

Public Debt:		ASSETS.	
LIABILITIES.		ASSETS.	
Public Debt:		Dominion Government:	
4% Debentures, Chap. 14, 1908	\$ 2,000,200.00	Debt Allowance	\$ 8,107,500.00
Do. (Convertible) Chap. 21, 1911-12	4,804,373.33		
Do.	133,333.34		
4% Registered Stock (Converted)			
Chap. 21, 1911-12	62,293.33	School Lands Trust Fund:	
4½% Registered Stock, Chap. 21, 1913	4,866,666.66	Principal Moneys in Trust	\$4,171,094.06
4½% Debentures, Chap. 21, 1913	133,333.34	Principal Moneys outstanding	7,884,291.18
4½% Debentures, Chap. 29, 1913			
(2nd Session)	3,600,000.00	Unsold Lands—6,909,450 acres @ \$12.00 per acre	12,055,385.24
4½% Gold Debentures, Chap. 12, 1910	7,400,000.00	Public Buildings, Bridges, Trunk Roads, etc.	82,913,400.00
(2nd Session)		Loans to Alberta Farmers' Co-operative Elev. Co.	15,095,416.87
5% Gold Debentures, Chap. 25, 1914	4,000,000.00	Advance—Central Canada Railway Company	1,081,213.38
as amended	2,000,000.00	Creamery Loans	2,000,000.00
5% Gold Debentures, Chap. 2, 1916	1,675,000.00	Advances to School Districts	5,563.03
5% Gold Debentures, Chap. 2, 1917	825,000.00	Telephone Plant, Stock and Tools	26,557.64
6% Gold Debentures, Chap. 2, 1917		Cash in Banks	9,762,330.55
		Stock—King's Printer, School Library Advance, etc.	1,117,191.11
		Miscellaneous	41,784.87
		Lacombe and Blindman Valley Electric Railway	40,084.77
		Advance, etc.	157,862.13
		Lacombe and Blindman Valley Electric Railway,	
		Shares	1,687.15
		Deferred Revenue	3,546,482.14
Less—Sinking Funds	\$31,500,200.00		
	754,050.53		
Temporary Loans (Savings Certs. included)	\$ 30,746,149.47		
Municipal Sinking Funds	2,296,795.22		
Balance—Surplus	51,638.76		
	102,857,875.43		
	\$135,952,458.88		
			\$135,952,458.88

STATEMENT NO. 10.

SCHOOL LANDS.

	Acres	Price	Average per acre
Sales, 1918 -----	90,394.97	\$1,570,342.10	\$17.37

STATEMENT NO. 11.

INCOME ACCOUNT.

STATEMENT OF REVENUE AND EXPENDITURE FOR THE
PROVINCE OF ALBERTA

For the Year Ending December 31st, 1918.

Revenue:

Dominion Subsidy -----	\$1,538,105.00	
School Lands -----	461,666.66	
Grant to Seed Fair -----	4,131.63	
Treasury Department -----	482,059.39	
Provincial Secretary's Dept. -----	1,045,023.43	
Attorney General's Dept. -----	708,404.19	
Public Works, Dept. of -----	211,753.35	
Agriculture, Dept. of -----	201,730.03	
Dairy Work -----	406,940.75	
Telephone Department -----	1,377,425.59	
Legislation -----	2,765.00	
Executive Council -----	200.00	
Education, Dept. of -----	32,698.20	
School Libraries -----	4,625.25	
King's Printer -----	7,400.00	
Municipal Affairs, Dept. of -----	1,166,601.07	
Public Utilities -----	4,633.75	
Miscellaneous -----	4,598.45	
		\$7,660,761.74

Expenditure:

Public Debt -----	\$1,165,973.25	
Civil Government -----	508,328.66	
Legislation -----	134,599.86	
Administration of Justice -----	571,057.72	
Public Works -----	1,058,762.33	
Education -----	1,187,924.14	
Agriculture and Statistics -----	493,669.22	
Dairy Work -----	382,758.19	
Hospitals, Charities and Public Health -----	211,817.09	
Telephone Department -----	1,171,687.34	
General Administrative Purposes -----	111,016.44	
Municipal Affairs, Dept. of -----	46,070.80	
Miscellaneous -----	1,253,104.34	
Remissions -----	576.68	
King's Printer's Advance -----	6,460.49	
		\$8,303,806.55

Deficit for 1918 ----- \$ 643,044.81

STATEMENT NO. 12.

SCHOOL LANDS.

7,798,600.00 Acres in the Province.

889,149.64 Acres sold to 31st Dec., 1918—\$12,015,450.24.

6,909,450.36 Unsold at 31st December 1918.

REVENUE

1906	-----	\$ 3,088.44
1907	-----	58,851.44
1908	-----	51,410.54
1909	-----	67,029.93
1910	-----	98,881.86
1911	-----	166,056.19
1912	-----	236,046.80
1913	-----	223,612.30
1914	-----	219,708.55
1915	-----	258,913.69
1916	-----	169,226.73
1917	-----	326,452.22
1918	-----	461,666.66
		<u>\$2,340,865.35</u>

STATEMENT NO. 13.

STATEMENT RE RAILWAY GUARANTEES.

	Authorized Mileage Par value.	Mileage	Executed Mileage Par value.	Mileage
Total Provincial Liability--	\$60,748,500.00	3,686.9	\$45,520,450.00	2,656.97
Less C.N.R. and C.N.W. Rys.--	36,066,000.00	2,292.4	22,244,250.00	1,437.37
	24,682,500.00	1,394.5	23,276,200.00	1,219.60
Less G.T.P. -----	4,182,500.00	259.5	4,182,500.00	259.5
	<u>\$20,500,000.00</u>	<u>1,135.0</u>	<u>\$19,093,700.00*</u>	<u>960.10</u>

*McArthur Lines, Lacombe
and Blindman Valley Elec.
Railways -----

\$19,093,700.00 960.10 miles

STATEMENT NO. 14.

Comparative Statement of Expenditure on Roads and Bridges
(Including Ferry Service and Drainage).

INCOME	1918 Actual	1919 Estimated
Ferry Service -----	\$ 60,863.43	\$ 45,000.00
Bridges -----	32,940.95	
Roads -----	322,240.50	600,000.00
Drainage Inspection -----	2,742.28	5,000.00
	<u>\$418,787.16</u>	<u>\$650,000.00</u>

STATEMENT NO. 15.

INCOME ACCOUNT, 1919.
(Estimated)**Revenue:**

Dominion Subsidy	\$1,621,075.00
School Lands	575,000.00
Treasury Department	491,855.88
Attorney General's Department	868,260.00
Provincial Secretary's Department	1,158,475.00
Public Works Department	278,015.00
Education Department	31,250.00
Agriculture Department	181,500.00
Dairy and Poultry	450,000.00
Railways and Telephones	1,625,000.00
Municipal Affairs	2,058,000.00
Public Health	11,500.00
Legislative Assembly	2,040.00
King's Printer	7,500.00
Public Utilities Commission	3,000.00
	<u>\$9,362,470.88</u>

Expenditure:

Public Department	\$1,275,000.00
Civil Government	579,115.00
Legislation	140,755.00
Administration of Justice	715,585.00
Public Works	1,372,190.00
Education Department	1,574,093.00
Agriculture Department	504,254.47
Dairy and Poultry	450,000.00
Public Health	298,460.00
Telephones	1,600,000.00
General Administrative Purposes	168,905.00
Municipal Affairs	119,080.00
Miscellaneous	545,872.15
	<u>\$9,343,309.62</u>
Surplus	<u>\$ 19,161.26</u>

STATEMENT NO. 16.

INCOME ACCOUNT

Revenue:

	1918 Actual	1919 Estimated	Estimated Revenue over 1918	Estimated Revenue under 1918
Dominion Subsidy -----	\$1,538,105.00	\$1,621,075.00	\$ 82,970.00	
School Lands Fund -----	461,666.66	575,000.00	113,333.34	
Grant to Seed Fair -----	4,131.63			4,131.63
Treasury Department ----	482,059.39	491,855.88	9,796.49	
Attorney General's Dept. 708,404.19		868,260.00	159,855.81	
Prov. Secretary's Dept. 1,045,023.43		1,158,475.00	113,451.57	
Public Works Dept. ---	211,753.35	278,015.00	66,261.65	
Education Dept. -----	32,698.20	31,250.00		1,448.20
Agriculture Dept. -----	201,730.03	181,500.00		20,230.03
Dairy and Poultry -----	406,940.75	450,000.00	43,059.25	
Railways and Telephones 1,377,425.59		1,625,000.00	247,574.41	
Municipal Affairs Dept. 1,166,601.07		2,058,000.00	891,398.93	
Public Health -----		11,500.00	11,500.00	
Legislative Assembly --	2,765.00	2,040.00		725.00
King's Printer -----	7,400.00	7,500.00	100.00	
Public Utility Comm'n ---	4,633.75	3,000.00		1,633.75
Miscellaneous -----	4,598.45			4,598.45
Executive Council -----	200.00			200.00
	<u>\$7,656,136.49</u>	<u>\$9,362,470.88</u>	<u>\$1,739,301.45</u>	<u>\$32,967.06</u>

Expenditure:

			Estimated Expend- iture under 1918	Estimated Expend- iture over 1918
Public Debt. -----	\$1,165,973.25	\$1,275,000.00		\$109,026.75
Civil Government -----	508,328.66	579,115.00		70,786.34
Legislation -----	134,599.86	140,755.00		6,155.14
Adm. of Justice -----	571,057.72	715,585.00		144,527.28
Public Works Dept. ---	1,058,762.33	1,372,190.00		313,427.67
Education Dept. -----	1,183,298.89	1,574,093.00		390,794.11
Agriculture & Statistics 493,669.22		504,254.47		10,585.25
Dairy and Poultry -----	382,758.19	450,000.00		67,241.81
Public Health -----	211,817.09	298,460.00		86,642.91
Telephones -----	1,171,687.34	1,600,000.00		428,312.66
Gen'l Adm. Purposes ---	111,016.44	168,905.00		57,888.56
Municipal Affairs -----	46,070.80	119,080.00		73,009.20
Miscellaneous -----	1,253,104.34	545,872.15	707,222.19	
Remissions -----	576.68		576.68	
King's Printer's Advance 6,460.49			6,460.49	
	<u>\$8,299,181.30</u>	<u>\$9,343,309.62</u>	<u>\$714,269.36</u>	<u>1,758,397.68</u>

SUMMARY.

Excess Expenditure over 1918 -----	\$1,044,128.32
Deficit for 1918, including Telephone Revenue -----	643,044.81
	<u>1,687,173.13</u>
Deduct Excess of Revenue over 1918 -----	1,706,334.39
	<u>\$ 19,161.26</u>

STATEMENT NO. 17.

PUBLIC HEALTH

Hospitals, Charities and Public Health

Net Increase over 1918—\$86,642.91

	Increase	Decrease
Expenditure under the Hospital Ordinance -----	\$ 12,206.25	
Expenditure under Public Health Act -----	14,319.17	
Care of Incurables -----	1,968.50	
Vital Statistics -----	3,660.40	
Administration of The Municipal Hospitals Act -----	11,880.00	
Co-operation with Victorian Order of Nurses -----	5,000.00	
Medical and Nursing services in outlying Districts ---	30,000.00	
Charitable Purposes -----	20,000.00	
Medical Services to and Care of Soldiers' Children----		\$ 3,303.37
Contingencies -----		11,728.04
Provision for increase in salaries on promotions or advances in grading by Efficiency Officer -----	2,640.00	
	<u>\$101,674.32</u>	<u>\$15,031.41</u>

STATEMENT NO. 18.

Statement showing work accomplished under The
Live Stock Encouragement Act during 1917 and 1918.

Applications received	929
Loans Guaranteed, 1917	208
Loans Guaranteed, 1918	261
	<hr/>
	469
Applications investigated but not dealt with	47
In course of investigation	27
Awaiting investigation	99
Cancelled or rejected	287
	<hr/>
	929

Loans guaranteed, 1917	\$ 455,620 00
Loans guaranteed, 1918	564,480.00
	<hr/>
	\$1,020,100.00

There are in all 2,480 borrowers under the Act with an average of \$412.00 to each borrower.

Number of cattle purchased in 1917	4,536
Number of cattle purchased in 1918	8,329
	<hr/>
	12,865

Total money spent in 1917	\$297,514.00
Total money spent in 1918	558,619.00
	<hr/>
	\$856,133.00

Average price paid per head purchased was \$66.00

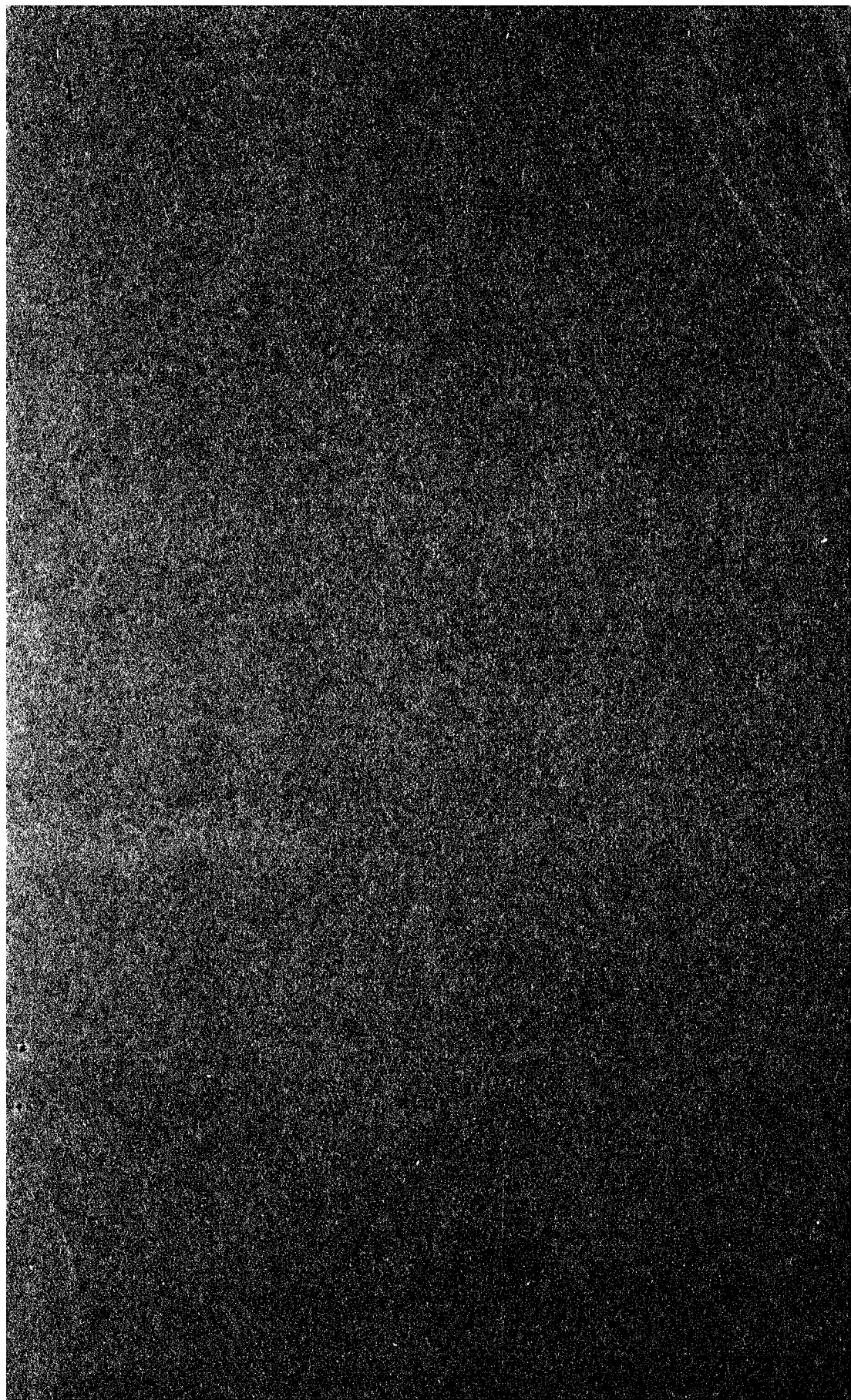
It should here be noted that the increase on cattle purchased is considerable, but that actual figures on same are impossible at present because inspectors have not yet been able to brand the increase and make reports.

Total interest accrued due up to December 31st, 1918	\$30,517.00
Amount collected	\$24,093.00
Amount unpaid	6,424.00
	<hr/>
	\$30,517.00 \$30,517.00

N.B.—The amount stated as unpaid is made up chiefly by items which were only a few weeks in arrears.

Fees due to Provincial Treasurer on all loans guaranteed	\$10,201.00
Expenses collected under authority of O.C. 880/18	798.00
	<hr/>
	\$10,999.00

Amount collected and paid to Treasurer	\$10,936.00
Balance owing to the Treasurer on December 31st, 1918	63.00
Operating Expenses—	
1917	14,452.38
1918	21,876.93
	<hr/>
	\$36,329 31



GOV DOC CA2 AL T B77 1918-1919
ALBERTA TREASURY DEPT
BUDGET SPEECH --

39812847 GOV PUB



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